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JPRS Report

East Asia

Southeast Asia

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FBIS 50th Anniversary Note

To Our Consumers:

This year the Foreign Broadcast Information Service observes its 50th anniversary.

The service, first called the Foreign Broadcast Monitoring Service, was established in 1941 prior to the U.S. entry into World War II. At the time, a number of U.S. Government officials were concerned about the content of foreign radio broadcasts—a relatively new means of conveying information and propaganda across borders. On their advice, President Franklin D. Roosevelt in late February 1941 allotted money from his emergency fund to institute the recording, translating, transcribing, and analyzing of selected foreign broadcasts for the U.S. Government. During World War II the service demonstrated that monitoring was a fast, economical, and reliable way to follow overseas developments.

Today the Foreign Broadcast Information Service provides its consumers throughout the federal government, according to their diverse official interests, with information from a broad range of foreign public media. FBIS information also is available to readers outside of the government, through the National Technical Information Service. Objectivity, accuracy, and timeliness are our production watchwords.

We members of the current staff of FBIS extend our thanks to consumers for their interest in FBIS products. To past staffers we extend our thanks for helping the service reach this anniversary year. At the same time, we pledge our continued commitment to providing a useful information service.



R. W. Manners
Director
Foreign Broadcast Information Service

East Asia Southeast Asia

JPRS-SEA-91-004

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PRC Seeks Diplomatic Ties

91SE0086A Jakarta *SUARA KARYA* in Indonesian
17 Dec 90 p 10

[Text] Manila (ANTARA/REUTER/AFP)—China has proposed opening diplomatic ties with Brunei as part of China's effort to build friendship with Southeast Asia, Chinese Premier Li Peng said on Saturday [15 December].

"We have sent a message about this to Brunei," Li said at a press conference in Manila. Brunei is the only ASEAN nation that does not have diplomatic relations with China.

He said that China wants to set up trade and economic relations with Indonesia and Singapore this year.

Li did not say whether Brunei, a small but oil-rich country led by the world's richest man, Sultan Hassanah Bolkiah, has replied to the Chinese offer. Li said China wants to establish diplomatic relations with Brunei "as soon as possible."

Indonesia, Singapore, the Philippines, Brunei, Malaysia, and Thailand belong to the Association of Southeast Asian Nations (ASEAN), which played a very important role in the resolution of the Cambodian conflict.

Li assured his neighbors in ASEAN that Beijing is no longer a military threat to Southeast Asia.

He said that China, which has fought South Korea, Vietnam, and India since World War II, is more interested in economic development and meeting the needs of its great population.

Li, who is in the Philippines for three days after a visit to Malaysia, is seeking to rebuild China's relations with its Asian neighbors after China was ostracized for its bloody repression of the prodemocracy movement last year.

He said that China opposes the presence of foreign military bases but that he expects an agreement on the future of U.S. military facilities in the Philippines will be reached.

The Philippines and the United States have declared that they want to reach an agreement on the bases before the end of January.

Washington has 17,000 military personnel at Clark Air Base and Subic Naval Base in the Philippines, but the contract for these facilities is to expire in September 1991.

Li said he hopes the dispute over the Spratly Islands in the South China Sea can be resolved at an appropriate time.

The oil-rich islands are claimed by the Philippines, Malaysia, Taiwan, and China.

Li said, however, that the Spratly dispute should be put aside for the time being so that the development of friendship will not be affected.

Report on Passport Manipulation, Illegal Aliens*91SE0096B Jakarta SUARA KARYA in Indonesian
28 Dec 90 pp 1, 11*

[Text] Jakarta (SUARA KARYA)—The illegal entry of aliens, particularly PRC citizens, has increased during the last two months. In November and December, 55 PRC citizens and other aliens were arrested by immigration officers for trying to enter Indonesia, using Indonesia as a transit point, or using counterfeit Indonesian passports to enter other countries. These 55 aliens entered Indonesia by using counterfeit Indonesian passports or counterfeit passports of other countries. Twelve PRC citizens were arrested in Honolulu, Hawaii, for using counterfeit Indonesian passports.

Passport Manipulation Ring Discovered

Director General for Immigration Roni Sikap Sinuraya revealed this in a year-end press conference at the Directorate General for Immigration on Thursday [27 December]. Sinuraya also disclosed that his office had uncovered an international syndicate that manipulated 85 Indonesian passports belonging to performers and artists. Sinuraya was accompanied by Drs. Moch. Arif, secretary of the Directorate General for Immigration, and Rahardi Suryoprawiro, director of Immigration Oversight and Enforcement (WASDAKIM).

Mas., alias Sul. (age 47), who has an office on Bahagia Street, Ciledug, Tangerang, is suspected of being an Indonesian member of the syndicate. Mas. received \$55,000 for his work. Officers at Japan's Nagoya Airport discovered the passport manipulation scheme when two Thai women carrying Indonesian passports were found unable to speak Indonesian.

Old Regulations

In the press conference the immigration director general detailed the success of his office in uncovering and thwarting the illegal entry of aliens during the last two months. He said that a PRC citizen was arrested at Tanjungpinang at the end of October for using a bogus Philippine passport. Then, in November, immigration officers at the Sukarno-Hatta Airport arrested three PRC citizens carrying counterfeit Indonesian passports, but two of them escaped.

On 9 December, immigration officers at Ngurah Rai Airport, Bali, arrested 10 PRC citizens carrying fake Japanese passports. To avoid problems for Indonesia, they were sent on their way to their destination in Los Angeles. The Japanese Consul reported that all 10 of them were arrested by U.S. authorities. "We hope they will not be sent back to Indonesia. Regulations require that such persons be returned to the country from which they departed," Roni said.

Two days later, on 11 December, immigration officers at Tembilahan, Riau, arrested three Soviet citizens from the Republic of Lithuania who wanted to go to Australia. They are now being held at the Kalideres Immigration

Quarantine while they await repatriation. On the same day, Singapore deported to Indonesia two PRC citizens who had used counterfeit Indonesian passports. Then, on 11 and 12 December, immigration officers at Polonia Airport in Medan arrested eight PRC citizens carrying fake Japanese passports. Meanwhile, immigration officers at Sukarno-Hatta Airport arrested seven PRC citizens with counterfeit Taiwanese passports.

On 15 December, immigration officers at Sukarno-Hatta Airport arrested 11 more PRC citizens carrying five fake Japanese passports and six bogus Malaysian passports. Then, on 17 December, immigration officials at Honolulu arrested 10 PRC citizens who were carrying counterfeit Indonesian passports.

Roni Sinuraya said that preliminary investigation of PRC citizens who illegally entered Indonesia revealed that they were motivated by desires for a better life. It also possible that they left China as a result of the Tiananmen incident or because Hong Kong is to be returned to China in 1997.

The possibility of large-scale entry of Chinese into Indonesia was once reported in WEN WEI PO, a pro-Beijing daily in Hong Kong. In commentaries published in the paper, Deng Xiaoping warned that if the Communist Party loses power in China the country will fall into chaos. Such chaos could cause 100 million Chinese to go to Indonesia, 10 million to Thailand, and 500,000 to Hong Kong.

Roni Sinuraya note that travel between Indonesia and the PRC is still covered by old regulations. The government is still formulating new rules that will be consistent with the restoration of diplomatic relations which took place on 8 August.

In reply to questions about investigations of people using counterfeit Indonesian passports, the immigration director general said that the cases have been handed over to the Indonesian Police and are still being investigated in cooperation with immigration authorities.

Syndicate

Roni explained that his office has arrested Mas., alias Sul., as the primary suspect in an international syndicate's manipulation of the passports of 85 Jakarta entertainers. A.K., a syndicate leader of Singaporean citizenship living at a hotel in Bangkok, is still being sought by authorities. In Jakarta, A.K. operated around Pasar Baru, Pasar Senen, and Gondangdia Lama.

Among the artists who were victims of the fraud and whose passports were misused by Mas. and A.K. were E.W.S., head of an entertainment firm; S.H., head of the Indonesian Association of Young Artists; R.H., head of the Galuh Pasundan Dance Studio; B.E., head of the Ken Dedes Malay Orchestra; and I.G.A.P., head of the Widya Budaya Studio.

Mas. had promised the artists that he would make an Indonesian film, "Woman and High Technology," in three Japanese cities, namely Kyoto, Osaka, and Tokyo. The syndicate took the passports it had obtained to Bangkok for its own business. The syndicate was uncovered when two Thai women carrying Indonesian passports were refused entry into Japan because they could not speak Indonesian. Their passports actually belonged to artists Budiah Putih and Judith Tresnawati. Investigation revealed that the two women were prostitutes sent from Bangkok to operate in Japan. It is difficult for Thai women to get visas for Japan.

According to the director general, the discovery of the syndicate began between February and July 1990, while Mas. and A.K. were operating in the entertainment business sphere. A.K. claimed he needed many entertainers for the opening of an Indonesian restaurant in Tokyo and for that purpose asked Mas. to send Indonesian artists for the celebration. A.K. promised to bear the cost of getting passports and visas. Mas. then went to the Department of Education and Culture to get permission for the cultural visits under the pretext of exploring possibilities for his making the film "Woman and High Technology."

In August, E.W.S., directress of an entertainment business, stated her willingness to be coordinator for the Jakarta artists. E.W.S. handed over 85 Indonesian passports belonging to the artists so that Mas. could get their visas for Japan at his own expense. To get the visas, Mas. asked the help of W.S. at an NTT [East Nusa Tenggara] travel agency, who delivered 69 passports with visas issued by the Japanese Embassy and 17 passports with visas from the U.S. Embassy. The total was 86 passports, including one belonging to Mas. himself.

In October, Mas. left for Bangkok to meet A.K. and deliver the artists' passports. Mas. received \$55,000 to cover his expenses and the down payments made to the artists in Jakarta. By the end of October, however, the artists had become disturbed because the scheduled times for their performances in Tokyo had passed. Then, one by one, they withdrew and demanded that coordinator E.W.S. return their passports. Then, on 8 November, two of the 85 passports held by A.K. in Bangkok surfaced in Nagoya in the possession of two Thai women who had gone to Japan for prostitution.

Malaysia Desires Increased Military Cooperation

91SE0094C Jakarta SUARA KARYA in Indonesian
9 Jan 91 p 3

[Text] Jakarta (SUARA KARYA)—Malaysia wants to expand its military cooperation with Indonesia. "We want to make our military cooperation more concrete, not limiting it to joint military exercises but incorporating defense industry development as well," Minister of Defense Datuk Najib Bin Abdul Razak said Tuesday [8 January] after making a courtesy call on President Suharto at Freedom Palace.

On this trip to Indonesia, Najib said, he will also visit Bandung and Malang to observe Indonesia's progress in the defense industry.

"I also see the possibility for complementation between Indonesia and Malaysia in the use of weapons systems," he said.

He said the two countries have a common position on cooperation in the use of certain weapons, which includes components, support equipment, and research. "This will be submitted to the armed forces commanders of our countries for implementation," he said.

The two countries will maintain their joint patrols and operations in the Strait of Malacca, including exchanges of documents about traffic in the strait.

The Malaysian minister of defense feels that adoption of the same standards for weapons will take a long time, because it will depend on decisions by both governments. An example is the placement of Hawk aircraft. Cooperation has already begun in the form of K-56 maintenance at Malang and ABRI [Indonesian Armed Forces] servicing of their Hercules aircraft in Malaysia.

Datuk Najib said there have been several decisions on development of defense industries in Malaysia. In addition to the decision to modernize the Malaysian Armed Forces, a memorandum of understanding has been signed by Malaysia and the United Kingdom.

Besides Malaysian manufacture of military equipment components, private interests are making armed forces communications gear.

No Economic Bloc for Asia-Pacific Countries

91SE0082A Jakarta BISNIS INDONESIA in
Indonesian 16 Dec 90 p 1

[Text] Jakarta (ANTARA)—The Asia-Pacific countries have agreed not to form their own economic bloc to face the European Common Market and the North American economic bloc. They will instead give more emphasis to cooperation among KADIN [chamber of commerce and industry] organizations.

Sotion Ardjanggi, general chairman of the Indonesian KADIN, told reporters in Jakarta on Saturday [15 December] that the formation of an economic bloc could hurt the Asia-Pacific countries themselves.

He said that businesses belonging to KADIN's in the Asia-Pacific countries have agreed to expand cooperation through existing regional organizations.

This decision, Sotion added, came as a reaction on the part of nations in the Asia-Pacific region, particularly the western part, to the formation of economic blocs in Europe and North America. The agreement was reached in the 13th Conference of the Asia-Pacific Confederation of Chambers of Commerce and Industry (CACCI), which was held in Manila from 10 to 13 December 1990.

He said the Manila conference elected Indonesia to be CACCI president for the next two-year term.

President Installs Election Committees

91SE0096A Jakarta SUARA KARYA in Indonesian
9 Jan 91 pp 1, 11

[Text] Jakarta (SUARA KARYA)—General elections determine the nation's future and are an important part of Indonesia's effort to apply Pancasila and uphold the 1945 Constitution. Elections are tangible expressions of Pancasila's fourth principle.

President Suharto made these statements on Tuesday [8 January] as he installed leaders and members of the General Election Advisory Council, the Indonesian Election Committee (PPI), and the Central Committee for Election Supervision [PANWASLAKPUS].

The head of state called on all Indonesians to conduct the 1992 general election in the best possible way. Thus, they will all have a part in laying an even stronger foundation for the country's democratic and political growth. They will also participate in developing a more mature and responsible political culture, which will be an important key to the nation's future strength and success. "General elections are very definitive for the future life of our nation," the president said.

According to the president, the 1992 election will have special meaning and, in fact, will be very strategic, for it will be the last election in the First 25-Year Long-Term Development Phase.

"We always want the Indonesian state that we are building to be one in which the people are sovereign and which adheres to a family philosophy in the handling of problems related to our society, nation, and state. These principles do not change, and we never want them to change," the president said.

The head of state pointed out that much time is needed for political development, because it is a process that must be constantly improved before we can arrive at truly stable political life.

The direction of our political development was stated in the 1988 GBHN [Broad Outline of State Policy]: the reinforcement of each citizen's political and national awareness, based on Pancasila and the 1945 Constitution, as a guarantee of effective effort to reach national objectives.

Organization

Through KEPPRES [Presidential Decision] 56 of 1990, President Suharto specified the organizational structure and procedures of the PPI. The decision, issued on 14 December 1990, declared that the PPI, as a committee under the General Election Board (LPU), manages elections at the national level.

The PPI's main jobs are to plan and supervise the implementation of elections for members of the DPR [Parliament], DPRD I [Provincial Legislatures], and DPRD II [Regency Legislatures], and to hold DPR elections.

The presidential decision also ruled that under the PPI a PANWASLAKPUS is to be formed to supervise conduct of elections at the national level. Its main task will be supervision of elections for members of the DPR, DPRD I, and DPRD II.

Forty-two people were appointed to the PPI, but two of them, Foreign Minister Ali Alatas and P. Gunardo, were unable to be present yesterday. Leaders of the PPI are the minister of home affairs, as chairman and member; the minister of justice, as first deputy chairman and member; and the minister of information, as second deputy chairman and member.

PPI members are: the minister of finance; the minister of defense; the minister of communications; the foreign minister; the ABRI [Indonesian Armed Forces] commander; A.E. Mahihuruk; Major General Samsudin; Drs. Mardinsyah; Bambang Harianto, SH [Master of Laws]; Warsito Puspoyo, SH; Damciwar, SH; Major General Soebiyono, SH; Colonel (Infantry) Hadi Sutrisno; Drs. H. Zarkasih Nur; Drs. H. Jusuf Syakir; Dimmy Haryanto; J.H.D. Tahamata; Anton Prijatno, SH; Fatimah Achmad, SH; H. Syaiful Anwar Hs.; and Colonel (Artillery) Soeharno. Nugroho was appointed as secretary, Harisoegiman as first deputy secretary, and Drs. P. Gunardo as second deputy secretary.

Personnel appointed to PANWASLAKPUS posts are: Singgih, SH (attorney general), as chairman and member; Drs. Soenirman Brotosandjojo (inspector general of the Department of Home Affairs); Drs. Jakob Tobing, MPA [Master of Public Administration] (GOLKAR [Functional Group]); Adipranoto (PDI [Indonesian Democratic Party]); H. Hamzah Haz, BS (PPP [Development Unity Party]); and Brigadier General Amir Singgih (ABRI civilian posts). All of these are deputy chairmen and members.

Members are: Usman Hasan (GOLKAR); Dr. R. Suhadi (GOLKAR); Drs. Noor Achari (PDI); Dr. Sukowaluyo (PDI); H. Yudoparipurno, SH (PPP); H.M. Djafar Siddiq (PPP); Colonel (Judicial Corps) Winoto, SH (ABRI civilian posts); Colonel (Infantry) R. Salamun (ABRI civilian posts); Drs. H.M. Said; and Colonel (Artillery) Soetoto. The latter two men represent the government.

President's Call for More Small Business Supported

91SE0082B Jakarta BISNIS INDONESIA
in Indonesian 18 Dec 90 p 6

[Editorial: "Developing New Businessmen"]

[Text] President Suharto gave many important instructions when he opened the Muhammadiyah Congress in Yogyakarta last Saturday [15 December]. Among them was an appeal to the 78-year-old Islamic organization to take concrete steps to improve the economic condition of the people, especially those with low incomes. The head of state also said he hopes that devout businessmen who adhere to Pancasila will emerge from the Muhammadiyah family.

There is good reason for us to call attention here to president's message. Although the development we have conducted during several REPELITA's [5-Year Development Plans] has raised standards of living, most people are still poor. Their numbers are great, tens of millions of people. Their position is weak. They do not possess work skills, let alone capital. These limitations make them unable to take advantage of opportunities to improve their lives.

The government is limited in handling this problem. At one time, for example, the government made credit available for people with small businesses. Now, however, this credit is no longer available, and there is no evidence of the facilities that were provided. It is in this sector that Muhammadiyah could respond to the challenge to do something tangible to improve the economic situation of low-income people. This is merely one concrete example.

Perhaps Muhammadiyah could accomplish this through public credit banks (BPR's). So far, they own only the BPR in Ciputat. This is far from adequate. Thus, it is a necessity for Muhammadiyah to cooperate with private banks in the training of professional banking personnel. There is also a pressing need to create organizations and systems and to mobilize funds for assisting low-income people. This will be a big job, to be sure; but a first step, however small, must be made despite the size of the task.

We have long felt a lack of strong small and middle-sized businesses. The development of enough businessmen at these levels will have great meaning for our economy. It is not healthy for our economy to be largely focused on conglomerates. Such an economic emphasis hurts the people and aggravates social disparities, thus ultimately causing trouble.

It appears that Muhammadiyah, which originally was led by businessmen, needs to recreate the spirit of entrepreneurship among its members. Businessmen emerging in Muhammadiyah circles are challenged to possess "better qualities" than others. As consistently devout Muslims, such businessmen are expected to be guided always by the principle of "promoting good deeds and preventing evil." If this principle is practiced tangibly by Muhammadiyah businessmen, a healthier business climate will emerge and will not remain merely a dream.

Prospects for Nuclear Power Plant Analyzed

91SE0079B Jakarta KOMPAS in Indonesian
20 Dec 90 p 5

[Unsigned article: "Face of Nuclear Power Plant Increasingly Visible"]

[Text] Looking back over the year, the nuclear issue most deserving the spotlight has been the growing strength of the government's desire to build the first Indonesian nuclear electric power plant (PLTN). President Suharto himself said repeatedly that Indonesia needs a PLTN for Java's industry because conventional energy reserves no longer suffice.

Because nuclear technology is controversial, pro and con views have emerged. On the one hand, man can use his knowledge of the atom for agriculture, medicine, industry, and as an energy source. On the other hand, nuclear power embodies a risk of disaster (other technologies do, too).

In other words, nuclear power requires extra-careful handling to make it useful but safe for mankind. If it is not used wisely, radiation accidents can kill and cause suffering for generations to come. Furthermore, nuclear waste must have strict, long-term isolation.

The investment needed to build a PLTN is very great, whereas the construction of an electric power plant which uses natural resources costs less than half as much. Facts like these have caused antinuclear groups to oppose construction of a number of nuclear power plants. Within Indonesia itself, there are voices claiming that there are many other natural resources that can be used in this country.

High Cost

It cannot be denied that building a PLTN is very expensive, for great sums are needed for construction, maintenance, waste storage, and eventual reactor shut-down. From the aspect of construction alone, a PLTN is the most expensive of electric power plants.

A PLTN requires capital of \$59.76 million per KWH [kilowatt-hour], \$7.4 million per KWH for fuel, and \$4.79 million per KWH to operate. By contrast, a PLTU [steam-powered electric power plant] using fuel oil needs only \$15.31 million per KWH as capital, \$31.08 million per KWH for fuel, and \$1.41 million for operating costs.

The problem is that natural resource reserves in Indonesia have become slim. At the 1985-86 energy consumption level, coal reserves will last for 2,200 [as published], while oil will last for 18 years and natural gas for 71 years. Coal appears to have the best prospect as a replacement for nuclear energy, but the government says that the coal resources on Natuna Island are too far from Java. Besides, burning fossil fuels produces carbon dioxide, which contributes to the greenhouse effect.

When Indonesia finally decided to build a PLTN, it, like many other developing countries, encountered a problem with construction funds. At first, it hoped the World Bank would lend the money, because the interest on private financing would make the total cost extremely high. It appears, however, that the World Bank is not interested in financing the PLTN. According to available records, the World Bank has financed only one PLTN, a plant in Italy.

The idea of BOT (build, operate, and transfer) then emerged. This means that the party financing PLTN construction has the right to operate it for a time before transferring it to the government. In this way the PLTN owner's total investment will be recovered from payments made by electricity consumers. The BOT idea first came from Turkish Prime Minister Turgut Ozal when his country was receiving bids for the construction of a PLTN.

Several foreign companies have offered the BOT method to Indonesia, too. Its rationale, besides avoiding additional foreign indebtedness and a higher debt service ratio (the proportion of foreign exchange that must be paid on foreign debt), is that the construction period for a PLTN is longer than the grace period (when debt installment payments do not need to be paid).

WALHI (Indonesian Environmental Association), which has been the most vocal in its opposition to building a PLTN, believes that the BOT method merely transfers the debt burden that the government should bear directly to the people. In other words, consumers will be the ones to bear the cost through bigger electricity bills. If electricity costs are kept low to avoid a high cost economy, the government will pay after all.

In building a PLTN, Indonesia must also consider the cost of maintenance, operations, training for containing nuclear accidents, and the closing down of reactors when their operating lives are finished. Closing down the English 210-MW [megawatt] Dresden-1 PLTN, for example, cost \$14.95 million at 1985 exchange rates.

Indonesia Chooses BOT

The method chosen by Indonesia was becoming evident last September when BATAN [National Atomic Energy Agency] Director General Djali Ahimsa told the PLTN Project Funding Seminar at Negara Berkembang that Indonesia will not shift from the BOT system for PLTN financing.

Minister of Research and Technology B.J. Habibie said BOT is a realistic and pragmatic alternative for resolving Indonesia's development problem.

Nuclear energy is considered a logical choice for meeting energy needs, because large sources of hydroelectric power in Java were deemed exhausted when the Jatiluhur, Saguling, Cirata, and Paiton installations were built. Other energy sources, such as solar and geothermal energy, are small and their efficiencies low.

Although the identity of the PLTN builder is not yet clear, the face of a PLTN is becoming visible. The government has shown by several of its preparations that it is confident in its decision to build a PLTN. In 1988, for example, President Suharto inaugurated BATAN's radioactive waste processing installation at the Serpong PUSPITEK [Science and Technology Research Center]. A year earlier, the G.A. Siwabessy Multipurpose Nuclear Reactor and the nuclear fuel element manufacturing installation, also at Serpong, had begun operating.

In the middle of last December, the president inaugurated a radiometallurgy facility and reactor technology and safety installations at the Serpong PUSPITEK. These steps demonstrated the government's seriousness and readiness toward building a PLTN.

If all goes according to plan, Indonesia will begin to build the plant by 1997. A PLTN feasibility study was begun this year and will be completed in 1994.

As members of the public, we can only hope that the PLTN will be constructed properly and operated professionally, and that everything will be taken into consideration, so that the nuclear accidents that have befallen other countries will never happen here.

PPP Sets No Vote Target for 1992 Election

91SE0096C Jakarta *PELITA* in Indonesian
10 Jan 91 pp 1, 11

[Text] Jakarta (PELITA)—Because the general election is a celebration of democracy, the element of celebration should not be neglected. H. Ismail Hasan, general chairman of the Development Unity Party (PPP) Central Executive Council (DPP), said this on Wednesday [9 January] following the opening program of the PPP National Working Conference (MUKERNAS) in Jakarta.

The PPP DPP general chairman's statement came in response to Minister of Home Affairs Rudini's opinion that motorcades should not be used in the 1992 general election. Ismail added that a specific position on the matter has not yet been decided, however. "We are still waiting for input from the provinces, but we will definitely object if there is no element of celebration in the campaign," he said.

Known in the Provinces

Ismail, whose nickname is Buya, told reporters that he will try to ensure that PPP candidates are people who are known in the provinces they represent. The PPP will also work to improve the quality of its representatives in the DPR [Parliament] for the next term. In this way, it is hoped that these delegates will be able to understand and articulate aspirations that are developing in the community, said PPP DPP Secretary-General Matori Abdul Jalil, who accompanied Ismail.

As a first step, the MUKERNAS decided that the Regional Leadership Council will nominate candidates

for the DPR and that Branch Leadership Councils will make nominations for DPRD I [Provincial Legislatures]. Subdistrict commissioners will select the candidates for DPRD II [Regency Legislatures]. "Thus, if the Regional Leadership Council does not nominate me, I cannot possibly be a member of the DPR," Matori said.

Buya said further that a Candidate Selection Committee will be formed to process and assign sequence numbers to the nominees. The committee will represent the three levels, i.e., headquarters, regional, and branch.

No Target

When reporters asked what PPP's vote target will be for the 1992 election, he said there will be no target. When reporters continued to press him, he said, "As many as possible, as many as we can get."

Ismail also explained why there is no vote target. "The target system has been misused to the point that it justifies any means and produces the slogan, 'As long as we win,'" Ismail said without specifying which groups have misused targets.

The PPP DPP general chairman added that a large number of DPR delegates is no guarantee of success. "Although small, we may be more successful," he told reporters.

Position Statement

One accomplishment of the MUKERNAS was a PPP position statement. The position statement covered four areas. In the political sector, the PPP said it was pleased with the government's determination that the 1992 election will be one of quality, one in which the three participating organizations will receive the same treatment.

In the economic sector, the PPP believes that to prevent the widening of socioeconomic disparity there is a need for an antitrust law, a law to protect small business, and a law on business procedures that would seek creation of a cooperative economic system to comply with Article 33 of the 1945 Constitution.

In the socioeducational sector, the PPP proposed that, for the sake of creating a work ethic to support national development, the orientation to hours of work should be expanded to include greater attention to productivity. Government agencies should lead the way in this and thus make a positive and extensive impact on the work ethic of the community.

Concerning the defense and foreign affairs sector, the PPP expressed its appreciation and thanks for the role of ABRI [Indonesian Armed Forces] as stabilizer and provider of dynamics for the success of national development. The PPP also expressed its hope that this role will be enlarged to encompass the modernizing of development efforts and leading the way in practicing Pancasila democracy during the Second Long-Term Development Era.

Small-Business, Antitrust Laws Needed

9ISE0080D Jakarta KOMPAS in Indonesian
17 Dec 90 p 2

[Text] Jakarta (KOMPAS)—The time has come for Indonesia to have a small-business protection law, so that small and middle-sized businesses can develop as big businesses do. Such a law will work only if it is accompanied by a law against monopolies and oligopolies. An antitrust law does not yet exist.

Trisura Suhardi, director general for small industry in the Department of Industry, said this in Jakarta on Friday [14 December] in reply to a KOMPAS question about a statement from Drs. Agoes Toepoe, secretary general of KUKMI (Indonesian Association of Small and Middle-Sized Businesses). Agoes Toepoe had said a small-business protection law is needed to enable small and middle-sized businesses, including cooperatives, to expand more quickly.

Because of the absence of such a law, small and middle-sized businesses are hindered from developing and are often pressured by big business. Besides, banks are frequently reluctant to lend to them. On the other hand, big businesses are protected by laws on PMA [foreign capital investment] and PMDN [domestic capital investment].

Trisura said there should be a DNI [Negative Investment List] for small and middle-sized businesses like the one used under PMA and PMDN. "In that way, the rules of the game for small, middle-sized, and big business would be clear," he said.

Since the rules are not spelled out in the DNI, many sectors belonging to small and middle-sized business have been entered by big business. If the rules were clear, this would not happen.

Potential

As an example, Trisura noted the export of automobile seats worth \$65,000 to Japan by a Bekasi firm jointly owned by Indonesia and Japan under an investment of \$2.5 million. In Taiwan, he said, the car seat industry belongs to small business because of its simple technology and cannot be entered by big companies.

Under the small-business law, that country has been able to earn \$30 billion a year from exports by industries that are mostly small and middle sized. "The country has no less than 4,000 small and middle-sized manufacturers who are also exporters," he said.

Under the Industrial Law, the protection of small business in the industrial sector has begun. Unfortunately, however, there are still no rules to protect small businesses from competitors in the same sector.

The limited regulations do not provide for protection of the more numerous businesses outside the industrial sphere. They do, however, specify that a small business is

one with assets less than 600 million rupiah, not including land, buildings, and work sites.

A small-business law would also regulate business procedures, use of technology, access to funding, rights to operate in certain places, and copyrights. Besides providing a protection mechanism, the law would also specify types of business that big businesses are not permitted to run.

He said the small business sector has great potential for absorbing manpower. At least 5.8 million people are involved in this sector at present.

There are now 1.7 million business units that qualify as small business, and the number is growing by an average of 10 percent per year. The value of exports by small industries reached \$1 billion last year and totaled \$1.2 billion in 1990.

Batik making and blacksmithing are protected sectors that cannot be entered by big business. However, if these small businesses expand—as companies now making furniture did in Ponorogo, East Java—they must receive different treatment.

Those companies, which are now exporting at least five containers of their products a month to Japan, are no longer small businesses. The special treatment they received in the past naturally had to be eliminated.

Trisura said that Indonesia lags behind India, Pakistan, the Philippines, and Malaysia, all of which have small-business laws. India, for example, has had a small-business law for 30 years.

In Pakistan, there are banks that exclusively serve small businesses and are not profit oriented as banks usually are. There are also technology development centers for small business in all Pakistani provinces.

GOLKAR Chief on 'Openness,' Plans for Election

*91SE0079A Jakarta KOMPAS in Indonesian
26 Dec 90 pp 1, 11*

[Text] Jakarta (ANTARA)—The Functional Group (GOLKAR) believes that differences of opinion are a strength for resolving all problems but that openness must be watched so that it does not fragment the Indonesian people.

"We may have differences of opinion, but we must not let those differences destroy our unity and integrity," GOLKAR DPP [Central Executive Council] General Chairman Wahono said Monday [24 December] in a written reply to a number of questions submitted by ANTARA and the SUARA KARYA daily.

He said that GOLKAR wants differences of opinion to become strengths for enriching viewpoints, expanding perspectives, and strengthening the organization in the framework of finding the best solutions to problems faced by the Indonesian people.

"Differences of opinion are an important element of democracy, but differences of opinion merely for the sake of difference can destroy democracy," he warned.

As for openness, Wahono said, "We have long said that Pancasila is an open ideology, and we have also long had the determination to make our society an open one."

"Our collective task is to ensure that openness does not fragment our nation but instead enhances our unity and strength," the number-one GOLKAR man said.

"Openness clearly requires a great sense of responsibility for protecting this unity and integrity, for guaranteeing progress and the national welfare, and for bringing us closer to our national objectives," he said.

1992 General Election

In his description of GOLKAR preparations for the 1992 general elections, Wahono said that GOLKAR is now planning campaign techniques that are consistent with voter ability to think critically and that will be conducted in an atmosphere of dialogue.

"Our goal is to retain the number of seats we have in the DPR [Parliament], DPRD-I [provincial legislatures], and DPRD-II [regency legislatures]," he said.

GOLKAR realizes that the people, as ultimate holders of sovereignty, are no longer easily misled by rumors or enticed by promises.

"Campaign techniques, including those using the media, advertisements, etc., are still in the planning stage. The important point is that the campaign will be conducted in atmosphere of dialogue, not through one-way didactics," he said.

He said that GOLKAR is readying itself for the 1992 election through cadre refresher courses, recruitment of new cadres, and seminars.

MPR and DPR Transition

Discussing the transfer of MPR [People's Consultative Council] and DPR duties to new legislators, Wahono said that the installation of new members in these bodies will include consideration of needs for continuity and for refresher activities. "There will be a 50:50 ratio between such activities," he said.

Other factors to be considered are individual capabilities, available time, age, sex, etc.

Wahono also explained that GOLKAR has contributed input to the drafting of the Broad Outline of State Policy (GBHN) through the GOLKAR faction in the MPR.

Input material was gathered at the 1989 and 1990 GOLKAR Leadership Conferences (RAPIM), which produced a long-term development strategy and the GOLKAR Information and Management System (SIMKAR).

Prominent Figures Discuss 'Openness'

91SE0094A Jakarta KOMPAS in Indonesian
5 Jan 91 pp 1, 11

[Text] Jakarta (KOMPAS)—Signs of future change are becoming visible. In the economic sector, for example, structural changes are moving the economy toward more openness, in which the nongovernmental sector will have a greater role. Although it is still difficult to find a formula for "openness," a middle road must always be sought. In doing so, friction may be produced.

This is the gist of KOMPAS interviews with several prominent figures at the end of December. Questions focused on their views regarding signs of "primordialism" in prospects for openness in 1991. Those interviewed were Sarwono Kusumaatmadja, Jalaluddin Rakhmat, MA, Drs. Asrul Sani, Aswab Mahasin, SH [Master of Laws], and Th. Sumartana, STH [Master of Theology].

"If we talk about openness in community organizations, naturally we are speaking about the direction we expect in the future. The future direction, I think, will be a continuation of what we have experienced so far. In a broad sense, openness means enlargement of the nongovernmental sector and possible expansion of the middle class," said Minister for Reform of State Apparatus Sarwono Kusumaatmadja.

According to Sarwono, openness is difficult to define now. "As Pak Mardiono [Minister of State and State Secretary Mardiono] said, we must use our knowledge of birds. If we hold a bird too tightly, it will die. If we hold it too loosely, it will escape. We must therefore find a middle road. Now, in seeking that middle road, we may cause friction or have a collision."

Practiced in Society

Sarwono admitted that if we want to define it simply, we may say that the limits of openness are Pancasila and the 1945 Constitution. However, this definition should become practice in society. Universally accepted ethical concepts of openness will have a role in this. Because the concepts are ethical in nature, many aspects of the limits of openness can not put down in writing.

"All of this takes time. Besides, who has the right to set suitable limits on openness? From the legal aspect, judicial circles must be able to give a sense of certainty to the community," Sarwono said.

Jalaluddin Rakhmat, professor at the UNPAD [Pajajaran University] Communications Science Faculty, said that in the midst of these prospects for openness an anti-openness emerged at the end of 1990 in the form of a return to Javanese political culture. "We must admit that certain cultural symbols have entered into political considerations and decisions. The result is that people feel compelled to be courteous, and, if they are in opposition, they do it 'underground,'" he said.

Even worse, Jalaluddin said, people finally find a unique way out 'a la Indonesia' and hide behind language. They tend to hide reality behind language and words. Because they abstract it to the level of words, these words become very subject to interpretation and can be understood in various ways. The word 'openness,' for example, was created because people felt the present system had stalled. For that reason, the apparent enthusiasm for openness in early 1990 failed when people tried to institutionalize it.

Dialogue Capability

Cultural authority Asrul Sani praised the statement the president made about openness several months ago but said that even the government realizes that no government can endure without communication.

He acknowledged, however, that bureaucratic red tape, like a giant octopus, is hard to deal with. It permeates all sectors, all aspects of life. Not all bureaucrats are bad, but they are bound by a huge system that is difficult to change, except by sincere goodwill on the part of the government. That requires sacrifice.

Aswab Mahasin, director of LP3ES [Body for Economic and Social Research, Study, and Development], sees openness as the most important issue in the next 25 years. It is being discussed timidly, for such timidity is the current political style.

"Openness, which has been encouraged for more than six months, must be guided toward capability for dialogue. All problems can be overcome through dialogue," said young theologian Th. Sumartana in a separate interview.

Normal Sign

Sumartana said that the growing strength of "primordialism" during the last year, especially in religion, shows that people still need to think more seriously about pluralism. Exclusivism is characteristic of "primordialism," while pluralism looks at other people as equal partners in dialogue.

Our religious dialogue has been formal, according to the young theologian, who is now writing a dissertation in the Netherlands. Religious dialogue should extend to theology and should not consist merely of respect for the convictions of people of other religions. Dialogue is actually an essential part of revealed religions. Stopping dialogue is absurd.

Aswab Mahasin said that "primordialism" is a part of the transition toward a more progressive society. The strengthening of traditional ties can be seen in society. "In Jakarta, for example," Aswab said, "there are ties of village, family, native province, and ethnic group." These ties serve as an assurance of being able to compete in an increasingly pluralistic society.

"'Primordialism' is a very common phenomenon in the early transition toward a more pluralistic society. Original ties that are redeveloped serve as a network for

mobility and are used for enhancing the roles of individuals in a pluralistic society. They also assure that old relationships will not disappear."

In Sarwono's view, "primordialism" is respect for the rights of people to form communities or associations. We must be open to this phenomenon.

The former activist of the '66 generation worries, however, that open community organizations not based on race, religion, or origin will be relatively weak within society. In reality, both types of organizations should be strong. At present, however, there are very few strong organizations based on, or marked by, nationalism. It is as though we are now in a situation where only the government bureaucracy and ABRI [Indonesian Armed Forces] play nationalistic roles, while the community itself remains fragmented.

Bigger Job

In connection with prospects for openness in 1991, Sumartana envisions a bigger job for academics. While agreeing with Mangunwijaya's opinion that dialogue exists at the lower levels of society, he observes that dialogue and openness are more limited among the elite. It is precisely that group which should take the initiative.

It is tragic, Sumartana said, that some academics are dogmatic and know little about other sectors or subjects. They tend toward the elimination of themselves. Nevertheless, it is greatly hoped that academics, including theologians, will develop dialogue with other religions and areas of learning. Such dialogue is a necessity for knowledge and religion.

Jalaluddin Rakhmat admitted that he is among those who agree with John Naisbitt's analysis that a global culture will suppress primordial cultures, which include, among other things, avoidance or prevention of open conflict. "This is very possible if Indonesia continues to have associations at the global level, for we will have to relinquish local cultural frames of reference," Jalaluddin added.

Prospects Bright for Jakarta Stock Market in 1991

91SE0080B Jakarta KOMPAS in Indonesian
15 Dec 90 p 3

[Text] Jakarta (KOMPAS)—Prospects are bright for the Indonesian capital market in 1991, because both external and internal factors are improving. These factors include the 1990 national growth rate, which may reach 7.8 percent. The direction of capital restructuring resulting from the Gulf crisis may also help Indonesia. In addition, the introduction of KEPPRES [Presidential Decision] 53/1990 and Minister of Finance Decision 1548/KMK.013/1990 is expected to stimulate the capital market.

This was the conclusion drawn at the Seminar on Capital Market Prospects for 1991 from statements made by

panelists Dr. Sjahrir; Tito Sulistio, SE [Master of Economics], MBA; Dr. R.M.P. Mohamed Idwan Ganie, SH [Master of Laws]; Drs. Djunaidi A.K.; and Drs. Jasso Winarto. The Seminar, held in Jakarta to celebrate the fifth anniversary of the BISNIS INDONESIA daily newspaper, was opened on Thursday [13 December] by the paper's chief editor, Sukamdani S. Gitosardjono.

As the seminar's main speaker, Junior Minister of Finance Nasrudin Sumintapura hoped the new market regulations and policies will bring improvement for the organization and its participants and will produce better growth in the Indonesian capital market in 1991.

Sjahrir and Tito felt that the expectations for better growth in the capital market are realistic, especially with the improvement of both internal and external factors. "Investor concern over broker bona fides can now be allayed by the stricter capital requirements. Similarly, the great authority of BAPEPAM [Capital Market Executive Board] will clearly guarantee supervision of stock market activities," Tito stated. The new policies will not eliminate small national brokers, he said, for they will be able to merge.

Growth Rate

Unlike the opinion of PT Pentasena Director Arthasentosa, who reflected Tito's view as a broker, Sjahrir emphasized external factors. Although the Gulf crisis has a recessionary impact on manufacturing industries, Sjahrir said, it clarifies the direction of international capital restructuring toward competitive locations. "Each direct investor or stock purchaser will be certain to give more serious consideration to economic factors. If Indonesia can make its national economy more efficient and not dependent merely on cheap land and labor, prospects clearly will be better," he said.

According to Sjahrir, the expected 1990 economic growth of 7.8 percent will have a good effect. Although tight money policies are a blow to the capital market, they do not have much meaning in comparison with the effect of economic growth. Such policies have only temporary impact. "The important thing to study is whether our macro economic policies are consistent, for without deregulation in the production sector our monetary and financial deregulation targets will not be met," he asserted.

Sjahrir said external factors pose no problem. Internal factors are the ones that bring more difficulties. As an example, he cited the issue of privatizing the Jakarta Stock Exchange, which he said should be at the initiative of broker associations themselves. It should come about by March 1991. "There's no need to wait for instructions and recommendations from the foreign consultant team in the Department of Finance. We have capabilities ourselves," he declared. Of privatization, Sukamdani said in his opening remarks that its implementation for the stock exchange should not fall into the hands of 'certain' companies.

More Stock Issues

Sjahrir also took the opportunity to ask BAPEPAM to begin now to limit strictly any "additional listings" by stock issuers. Without clear limitations on "company listings" and "partial listings," Sjahrir said that market sluggishness caused by too much supply will be repeated. According to his study, of the 7.7 trillion rupiah scooped up by stock issuers through "additional listings," only 419 billion rupiah were actually "right issues" that brought money into company treasuries.

Other panelists in the 1-day seminar, like Jasso Winarto, gave more detailed attention to the prospects of the 114 stock issuers registered with the Jakarta Stock Exchange. Mohamed Idwan Ganie discussed legal aspects related to issuers and the "go public" process, and Djunaedi A.K. examined the role of institutional investors.

More Deregulation Urged in 1991

91SE0080C Jakarta KOMPAS in Indonesian
24 Dec 90 pp 1, 8

[Text] Jakarta (KOMPAS)—Everyone must work toward the expansion of deregulation into all production and business sectors in 1991, for by 1992 economic approaches alone will not resolve economic problems, regardless of importance. Without speedy deregulation, the income disparity problem may have critical consequences.

Economic policy observer Dr. Sjahrir made this appeal at a meeting of the WEB [Economic and Business News] Business Club in Jakarta Friday night [21 December]. This monthly forum, which is sponsored by the WARTA EKONOMI magazine, had the topic "Indonesian and International Economic Projections for 1991" and presented Nicholas Charles Hope, World Bank representative in Jakarta.

Based on his research, Dr. Sjahrir, managing director of the Economic and Financial Research Institute (ECFIN), estimates that Indonesian economic growth, as indicated by gross domestic product (PDB), will drop to 6.5 percent from the 1990 figure of 7 percent. Sjahrir said that disparities in distribution of income, which are the results of a process under way since 1968, will approach the Indonesian public's limit of tolerance.

"Without a national policy mechanism, this limit of tolerance may be exceeded. If that happens, the consequences clearly will interfere with national unity and stability. Thus, 1991 is a 'highly urgent' year for introducing a corrective mechanism in the form of policies for allocating and distributing national development. Priority must be given to social justice and job opportunities," Sjahrir declared.

20-Year Protection

One type of correction mechanism, Sjahrir said, would be the extension of regulation steps to all production and trade sectors. He feels that it is still difficult to make basic corrections to inefficiencies in some goods and services markets. These inefficiencies have increasingly negative

impact on the national economy, and each attempt to maintain "captive markets" for goods and services will have even worse effect on the national economy, which is undergoing more extensive transformation than at any time in the past.

"Thus, if we want to proceed with deregulation, we should do it in 1991, too. Don't wait until 1992, when public interest will be focused on the political campaign and the election," Sjahrir declared. The ideal transformation of economic structure is not measured by growth rate and control of inflation alone, but, according to Sjahrir, also by a more just distribution of income and more extensive absorption of manpower.

For that reason, Sjahrir feels that 20 years or more of protection for the ever-inefficient automotive industry is excessive. Compared with the textile industry, which absorbs extensive manpower and provides great added value to products, the automotive industry is not significant to efforts toward even distribution of income. Deregulation of the automotive industry is therefore absolutely essential.

The same is true of some aspects of trade, which, according to Sjahrir, are protected by "sweet words" of business procedures, despite their more significant distortion of the market. "Deregulation in this sector is important to our unregulated foreign exchange system. An unregulated foreign exchange system is meaningless if it is not matched by unregulated trade."

Prospects for 1991

Sjahrir is confident that national economic prospects for 1991 will follow the trends set in 1989 and 1990, with the reservation that there are a number of factors not supportive of growth. One condition is that 1990 inflation must not reach double digits but remain 3.5 percent higher than in 1989. Inflation affects buying power in the private consumption sector. A factor that has accelerated growth in 1990 has been the fact that public consumption has exceeded governmental consumption.

"High public consumption in turn reflects rising income. Although our society's consumption is still of nondurable consumer goods, there are signs of increasing consumption of more expensive durable goods," he said.

Inefficiencies in some goods and services will affect the 1991 growth rate. Although a rather large lag effect from 1990 investments will benefit the 1991 growth rate, the supply bottleneck factor will reduce investment growth in 1991 and thereafter.

This supply bottleneck problem does not relate to demand for "traded goods," which can be met at any moment when supply is low. An example is the truck import channel, which is used when commercial vehicles are in short supply. "The bottleneck relates to shortages

of 'nontraded goods.' We must make large-scale investments in telecommunications, telephones, electricity, drinking water, roads, and ports. The demand for such 'nontraded goods' is growing faster," Sjahrir said. Large-scale investment must be made regardless of whether there is war in the Persian Gulf, with its promise of windfall oil profits.

Nicholas Charles Hope, World Bank representative in Jakarta, who presented projections of growth in the industrialized countries, said that the World Bank, unlike other organizations, never estimates a country's short-term rate of growth. "Our estimates are normally long-term, consistent with the types of loans we make," he said. It is clear, Hope said, that economic globalization will have an impact on every country. He said the same is true of the Persian Gulf crisis. The program was led by WARTA EKONOMI Chief Editor Djafar H. Assegaff.

Economist Foresees No Need for Devaluation

*91SE0080A Jakarta KOMPAS in Indonesian
17 Dec 90 p 2*

[Text] Jakarta (KOMPAS)—In view of Indonesia's nonoil exports and balance of payments, there is no reason for devaluation. Rumors about devaluation have sprung from frustrations in some circles over the tight-money situation during the last three months.

Economic observer Dr. Sjahrir said this in a meeting of Jaya Bank managers with customers on Saturday [15 December] in Jakarta. Those present at the meeting included Jaya Bank President Commissioner Ciputra, President Director A. Ananto, and Hiskak Secakusuma.

"Looking at our nonoil exports, I don't see any reason for talking about devaluation," Sjahrir said.

He said that in last year's national budget the payments of principal and interest on foreign debt were larger than new loans, and no change is expected this year. Any increase in rupiah revenues through devaluation would increase these debt payments.

Although the growth of nonoil exports has not been very great for the last several years, there has still been an increase. "There is concern that the value of our nonoil exports may be dropping. That is not true; it is growth that is lower. Earlier, growth was around 14 to 15 percent; now it is 7 to 8 percent," Sjahrir said. A factor beneficial to Indonesia is the price of oil, which has risen because of the Gulf crisis.

Import Capital Goods

Sjahrir acknowledged that although exports are rising, imports of capital goods are also on the increase. According to the Central Bureau of Statistics (BPS), imports of capital goods rose 22 percent during the first eight months of this year. The reason for the increase is industry's loss of such capital items. "Nevertheless,

combined exports of oil, gas, and nonoil commodities will cover the increased imports," he said.

Another interesting development, he said, is the rapid growth of private debt over the last two years. Private debt has reached \$6 billion, which signifies an input of capital totaling 11 to 12 billion rupiah. "This means that, overall, our balance of payments has a surplus and that our reserves are growing. Therefore, I think the talk about possible devaluation was prompted by nervousness over the situation during the last three months," said Sjahrir, who is a professor in the UI [University of Indonesia] Graduate Studies Faculty.

Sjahrir said that the real exchange value of the rupiah against the dollar depreciates 4 to 5 percent each year. "Since 1986, however, the rupiah has been more effective in keeping its value than Malaysian and Venezuelan currencies," he stated.

Situation in 1991

The objective of Sjahrir's statements was to give a business community response on prospects for 1991. Representing customers, Ciputra said business faces economic uncertainty. Most of the questions asked in the meeting related to whether there will be devaluation, when tight money policies will be relaxed, and whether interest rates will come down.

Speaking as president commissioner of PT [Limited Company] Pembangunan Jaya, Ciputra said he hoped the present tight money situation can be relaxed by April 1991. He acknowledged that his company's business operations in real estate and construction have not been disturbed and that projects are proceeding. "But if after April we don't get any new projects, we will have a problem," he said after attending the meeting of Jaya Bank customers.

The Jaya Group has been forced to postpone plans for building several hotels. "Of the 12 hotels we have planned, we are continuing with only the two that we started before conditions turned bad. We have postponed the ones still in the planning stage, like the ones at Yogyakarta, Batam, Lombok, and Jakarta," Ciputra said.

Aceh Terrorists Said To Receive Outside Training

*91SE0094B Jakarta SUARA KARYA in Indonesian
4 Jan 91 pp 1, 11*

[Text] Jakarta (SUARA KARYA)—Aceh Governor Ibrahim Hassan warned that some members of the terrorist groups in Aceh have received terrorist training overseas. After reporting on the problem to President Suharto at Freedom Palace on Thursday [3 January], he made a similar report to Vice President Sudharmono at South Freedom Palace.

According to Ibrahim Hassan, the people who have been trained abroad then teach others here and try to replace Pancasila with a different ideology.

When he received this report, the President said, "We must not import things like that, and our provinces must not become fields where they can sow seeds like the ones they plant in other places."

The president likened the terrorist situation to a wound. A wound will heal, said the president, but the important thing is to prevent a repetition.

The governor said this disease comes from outside and not from within. The foreign aspects of it were what he reported to the president.

The president said the government is making diplomatic approaches to the countries believed to have trained the terrorists so that the problem can be fully resolved.

The governor said that his administration is developing internal Aceh areas that have been neglected. During the revolutionary era, the Aceh interior was a battlefield. It was a hiding place during colonial wars against the Netherlands and during the war for independence.

Terrorists emerged in this interior region and escaped notice. The terrorists found a place there to hide, and groups calling themselves new religious leaders have also emerged. Such things can happen because communications and flow of information are difficult.

"Therefore, I reported to the president that the time has come to give serious attention to this area and to build roads and other infrastructure," he said.

He added that new roads will make it possible for new residents to enter. This will enable the resettlement of people from the crowded industrial areas on the coast and facilitate other transmigration, too.

Aceh is as big as West Java but has only 3.2 million inhabitants. It has complete economic potential. It has one of the greatest natural resource potentials in the country but lacks manpower.

For that reason, the governor had previously asked the president that more extensive planning be made for the 800,000-hectare Mount Leuser National Park, the largest in the world. The Department of Forestry has undertaken the planning in connection with this year of tourism.

Natural Disaster

He also reported to the president on the earthquake that occurred at Mount Leuser National Park on 15 November. The quake was 6.4 on the Richter scale, which is strong by Indonesian standards, and severed roads to the area and even to Southeast Aceh.

The most alarming were the 900 aftershocks that followed during the next 15 days. The mountain rocked by the first shock was shaken again by aftershocks until it collapsed. "I felt it was appropriate for me to report that to the president."

As a result of the earthquake, the prices of nine commodities rose, as did the cost of construction. The flow of information was severed, and education was suspended. The governor said that the most serious damage was to roads and to INPRES [Presidential Instruction] primary schools. Students and teachers were put on leave. The president reminded the governor that teachers should report regardless, and that classes can be held anywhere, in open fields, houses, mosques, etc.

Since the region is an earthquake area, the president reminded the public that buildings should be half concrete and half wood.

The president promised that the Pancasila Muslim Charity Foundation (YAMP) will help to rebuild damaged mosques. Damaged irrigation facilities will also be rehabilitated. The president asked for a complete report.

Report on Year's Corruption Cases

91SE0079C Jakarta KOMPAS in Indonesian
19 Dec 90 p 6

[Text] Jakarta (KOMPAS)—During the year from 1 October 1989 to 30 September 1990, there were 611 cases of corruption in Indonesia. The largest numbers of cases were handled by the Jakarta and West Java chief public prosecutors, with 59 cases each. South Sulawesi (50 cases) and South Sumatra (37 cases) were next.

H. Soeprijadi, chief of public relations for the attorney general, disclosed this to reporters on Tuesday afternoon [18 December]. He also summarized crimes of subversion and smuggling.

Most corruption cases (507 cases) were discovered by prosecutors. The BPKP (Finance and Development Oversight Board) discovered 54 cases; POLRI [Indonesian Police], 17 cases; the IRJEN [Inspector General] and Post Office Box 5000, three cases each; and various other authorities, 27 cases.

Not all cases have been brought to court. Soeprijadi said that five cases investigated had no criminal aspects and therefore were not prosecuted. By October 1990, 409 cases had been resolved, and 202 cases remained to be settled.

Soeprijadi did not specify how much the state is believed to have lost through corruption but merely cited the number of cases handled by the Attorney General's Office and the 27 public prosecutors throughout Indonesia. The 10 areas with the largest numbers of corruption cases were Jakarta, West Java, South Sulawesi, South Sumatra, North Sumatra (35), North Sulawesi (34), Irian Jaya (27), West Sumatra (23), East Java (23), and Lampung (21).

Subversion Cases

From 1 April to 30 November 1990, there were nine subversion cases in the 27 provinces. This number

included cases not settled by 31 March, and the only new case during the 8-month period was one in East Java.

Unlike the corruption cases, which occurred in all the provinces, cases of criminal subversion were found only in Lampung (two), West Java (five), East Java (one), and West Nusa Tenggara (one).

From 1 April through October 1990, there were 216 smuggling cases. Added to the 40 cases not settled by 31 March, smuggling cases totaled 256.

Soeprijadi also said in his statements that section 284 of the Code of Criminal Law, in connection with section 17 of 1983 Government Regulations, authorizes public prosecutors to conduct investigation of these cases. "However, the public prosecutors always coordinate their investigations with law enforcement agencies and other authorities involved," he said.

For example, public prosecutors coordinate corruption cases with inspectors general, provincial inspectors, the minister of reform of state apparatus, and chief and representatives of the BPKP. On smuggling cases, coordination is conducted with the police, customs authorities, and other agencies.

He also revealed that suspected smuggler A.B.Y. was under detention for alleged complicity in repeated exports and imports of gaskets. The Attorney General's Office arrested A.B.Y. on 19 November 1990 for investigation of his case.

Soeprijadi said that the state lost about 32 billion rupiah in 1983-84 because of A.B.Y.'s suspected criminal actions in the form of repeated exports and imports of gaskets. Some time ago, North Jakarta State Court sentenced the principal suspect in the case, Bambang Hermawan, to 19 years in prison. When the case was appealed, however, Bambang's sentence was reduced to 13 years.

Status of Tin, Bauxite Production in Riau

*91SE0082C Jakarta BISNIS INDONESIA
in Indonesian 21 Dec 90 p 5*

[Excerpt] Pekanbaru (BUSINESS)—The tin era in Dabo Singkep, Riau Islands, will end in 1993, when, according to research, tin will become difficult to produce commercially, Daulat Tarigan, chief of the Riau Regional Office of Mining, said yesterday.

He said that although commercial mining of tin at Dabo Singkep will come to end, this does not mean that Riau

will no longer have any tin for earning foreign exchange. Large tin reserves were recently found offshore near Karimun and Kundur.

"In fact, the tin reserves discovered in those two areas are so large that they will meet any demand by the world tin market," ANTARA quoted him as saying.

Besides its tin reserves, the Riau Province possesses other mining resources, such as the bauxite found on Bintan Island. The area has long relied on bauxite as an export commodity.

He acknowledged that, despite the area's large tin reserves, Riau produces only what the market requires and contributes only 10 to 15 percent of the nation's tin output.

If the tin demand on the world market increases, tin mining operations in Riau will be able to raise production up to three times their current output, he said without citing past annual production figures.

Daulat said bauxite mining in South Bintan is steadily increasing, not only because of the traditional Japanese demand, but also because of demand by the United States.

"Whereas in the past we produced 600-700 thousand tons of bauxite to meet Japanese demand, we are now producing 1,200 tons per year," Daulat said.

Concerning other materials, exports of sand in the first 10 months of 1990 reached 1.083 billion cubic meters and will continue because of the great demand.

Licenses are now required, however, and supervision of sand digging is being expanded so that these operations will not damage or interfere with the environment.

Put to Use

With regard to the big pits left by tin mining at Dabo Singkep, the chief of the Regional Office of Mining said that research is now under way to determine whether they can be put to use for raising fresh water fish.

Because the pits left by mining operations usually are full of fresh water, they may be usable for such fresh water fish cultivation, he said.

Ngadi Prawiro, a staff member of the Riau Estates Service, said his agency's research shows that the land formerly used for tin mining has adequate potential for estate crop cultivation.

"If the land were used for estate crops, it would support the three-way growth effort in Riau, Singapore, and Malaysia (Johor Baharu)," he added. [passage omitted]

Health Minister on Developments, Expansions

91WE0182A Vientiane PASASON in Lao
27 Nov 90 p 5

[Unattributed report: "An Interview Given by Mr. Khambou Sounisai, Minister of Public Health, to PASASON Reporters Concerning Public Health Activities During the Past 15 Years"]

[Excerpts] On the 15th National Day on 2 December our group of reporters interviewed Mr. Khambou Sounisai, the minister of public health. [passage omitted]

In the past 15 years public health activities have expanded both in quantity and in quality. This has contributed to the achievements and victories of the nation as follows:

1. The number of low-level, mid-level and high-level medical cadres:

-From 1976 to 1990 the number of low-level medical cadres increased from 4,561 to 5,874 or 1.29 times.

-From 1976 to 1990 the number of mid-level medical cadres increased from 371 to 2,731 or 7.36 times.

-From 1976 to 1990 the number of high-level medical cadres increased from 90 to 1,173 or 13.05 times.

2. Public health drives to combat disease and epidemics have expanded. In 1987 there was a great deal of malaria and hemorrhagic fever in some provinces and in the Vientiane Municipality. But because medical personnel and the people worked to suppress it and provide care, the loss of life was kept low. Medical and education students were used, and all organizations coordinated with the drives to control mosquitos. In 1990 there were only 29 cases of malaria in the Vientiane Municipality and there was no loss of life because public health drives controlled the mosquitos at the outset. [passage omitted]

3. The public health network has expanded steadily as follows:

-In 1976 central authority had three hospitals; in 1990 central authority had eight hospitals.

-In 1976 there were 12 provincial hospitals; in 1990 there were 17 provincial hospitals.

-In 1976 there were 96 district hospitals; in 1990 there were 115 district hospitals.

-In 1976 there were 294 medical stations; in 1990 there were 937 medical stations.

-The number of beds for medical care has increased 168 percent. In 1976 there were only 21.38 beds per 10,000 people. In 1990 there were 25.5 beds per 10,000 people.

4. The cooperation of friendly countries and international organizations during the past 15 years has been worth about U.S.\$16 million. This has included both humanitarian grants and cooperation. It has been used to

build small enterprises, to repair the infrastructure and to build plants to produce various No. 3 medicines. In addition there was also the value of the medicine and medical equipment provided with this cooperation. -In addition funds were received for dozens of groups to study and take short courses. These funds came from the state budget and amounted to more than 10 billion kip; this was another investment in public health made during the past 15 years.

-Six Lao-Soviet medical conferences were held, and conferences of the three Public Health Ministries of Laos, Vietnam, and Cambodia were held on a rotating basis.

-Ten teams of Lao doctors went to help in Stung Treng Province, Cambodia, for a year each time. The teams provided medicine worth 7 million kip each year.

-Laos recieved the most assistance from the Soviet Union, Vietnam and international organizations such as the World Health Organization, UNICEF and the UN for development, to help children and for other organizations. [passage omitted]

Attopeu Security Cooperation With Cambodia, Vietnam

91SE0098D Vientiane PASASON in Lao
23 Nov 90 p 3, 4

[Unattributed report: "Fifteen Years of Defending and Developing Attopeu Province"]

[Excerpts] [passage omitted] In the area of public security the soldiers and the people of every ethnic group in the province took part in and became masters in resisting every destructive scheme the enemy introduced to cause trouble. They took part in mobilizing the LPRYU [Lao People's Revolutionary Youth Union] to serve the nation and supplied forces to central authority for coordinated operations with the public security forces of Gialailongtum Province (Vietnam) and Ratanakiri Province (Cambodia) in fighting the enemy in the areas of operations of each province. They achieved great victories and prevented the expatriot Lao reactionaries, the South Vietnamese Gnindo group and the remnants of the Pol Pot group from mounting any resistance to their plans. This solidarity of the multi-ethnic people in combating the reactionary traitors and defending their native land during the past 15 years gave Attopeu Province a level of peace such that there were no areas which the enemy was able to destroy. [passage omitted]

They revived that portion of the culture with patriotic and progressive qualities and improved and protected the literature of each ethnic group in every district and village. The dress and life style of the people was transformed, and their superstitious beliefs steadily abated.

In addition various branches expanded. As mentioned above branches for banking, finances, transportation,

post and the various mass organizations of the province expanded as the province progressed. Especially at the end of the second five year plan of the party there was construction of new houses, which there had not been before. Now there are many branches, offices, permanent meeting halls, and memorials which have been built. This new construction has given Attapeu a new appearance and has improved the lives of the multi-ethnic people.

These accomplishments were the result of the struggle for solidarity and unity and the struggle to be true to the party and state on the part of the soldiers, cadres and multi-ethnic people, who were willing to sacrifice to defend and build their province.

Operations in Bolikhamxai Province

91SE0098E Vientiane PASASON in Lao 20 Nov 90 p 5

[Report by S. Phouangdokson: "The Guerrillas of Mouang Mai Canton Are Proficient and Strong"]

[Excerpts] The guerrilla force of Mouang Mai Canton, Bolikhan District, Bolikhamxai Province is a local armed force which has always done well in defending the peace of the people. [passage omitted]

Our group met and talked informally with the responsible person for the guerrilla forces throughout this canton. He told us that the guerrilla militia of the canton had conducted demanding operations in the past. [passage omitted] Every week they conducted regular patrols in areas where they were responsible in order to avoid the infiltration and disorders caused by evil groups. [passage omitted] In addition to operations to defend the peace within their locality they also organized a number of guerrillas to conduct operations in coordination with the guerrillas of other areas, to search for bandits hidden in the countryside and distant mountains and to stop the operations of evil groups and make these areas peaceful and safe.

The responsible person for the guerrilla forces also said that: [passage omitted] they held military training sessions once a year on average. Military instructors sent by district military headquarters conducted the training. One area considered important concerned political and ideological training - this allowed each guerrilla to absorb the policies of the party, [passage omitted] to tell friend from foe, to be able to prevent the enemy from deceiving him, and to be eager and brave in carrying out his duties. This was demonstrated when they assembled quickly when required. For this reason the people believed that the guerrilla forces of our canton were resolute and feared by evil persons. In the past no evil persons or spies of any kind have dared to enter our locality. [passage omitted]

Sweep Operations in Champassak

91SE0098B Vientiane PASASON in Lao 4 Dec 90 p 3

[Report by Phoudindeng: "Security Is One of the Important Problems of Champassak Province"]

[Excerpts] The victories and achievements of Champassak Province during the past 15 years were accomplished by overcoming great difficulties and disorder. Because of the location of this province the enemy never let up in the destruction and damage directed against the people. The enemy sent in spies to follow the operations of the officials, soldiers and people who were building their country, allowed Thai people to hire a number of Lao to bring counterfeit kip, dollars and baht into Champassak Province, and also used many methods, including cultural and social, to slander the provincial administration and our new system. They hoped to destroy the trust of the soldiers, cadres, and multi-ethnic people in the party and state. [passage omitted]

The party committee and all levels of the provincial administration worked to educate the multi-ethnic people and the armed forces so that they could clearly recognize the many schemes of the enemy and to make them ever vigilant and able to suppress the enemy quickly. During half a decade the armed forces of Champassak Province were able to eliminate 155 members of the group opposing the revolution and hoping to destroy the country and to capture 66. They compelled 145 to give themselves up. [passage omitted]

Sayaboury Security Profile

91SE0098C Vientiane PASASON in Lao 17 Nov 90 p 4

[Unattributed report: "Fifteen Years of Improving the Public Security in Sayaboury Province"]

[Excerpts] [passage omitted] The enemy has always wanted to swallow up Sayaboury Province and has had plans to set up an underground government here. In order to carry out these plans they employed very cruel and clever schemes. They used force to apply pressure, and they used political, economic, and cultural warfare to deceive and seduce. They infiltrated the security forces, the party, the administration, the cadres, and in particular the leadership positions. They incited dissension among the people in order to separate the people from the party and government etc. The evil actions of the enemy on the outside disrupted the peaceful political and social conditions within Sayaboury Province for a time. [passage omitted]

Now people of all ranks in Sayaboury Province are very responsible and have joined in the work of defending the nation and the peace such as: providing transportation and support for combat operations, excavating, making clearings, being prepared for action and helping to work the fields and build houses for the families of those who have sacrificed their lives or lost limbs, and for the families of soldiers and guerrillas on the front lines etc.

The arrests of thieves, spies, disorderly groups, and those involved in the operations of expatriate groups were generally accomplished by the people. Members of the LPRYU [Lao People's Revolutionary Youth Union] in various localities volunteered for defense activities in large numbers. In 1990 from the beginning of the year until now 130 members of the LPRYU of Sayaboury District have volunteered to serve the nation according to their obligations as good citizens. In Phiang District there were 120 volunteers, and in Paklai District there were more than 100 volunteers. [passage omitted]

Although in the past they conducted operations with determination and with various tactics, nevertheless the spies and expatriot groups sent in have all been eliminated without a place to hide. In 1989 provincial and district soldiers and guerrillas were in combat many times; they were able to kill more than 40 of the enemy and capture 10. They captured one member of an expatriot group and 55 spies. They destroyed an underground group and captured a number of important documents. At present there are 1,000 members of village public security services and 3,000 guerrillas throughout the province. This is less than in the past, but the quality is higher.

These improvements in national defense and peace-keeping activities have been a great victory and have been important because they have meant the destruction of the schemes of the enemy, the destruction of the plans to separate Sayaboury Province from the seven provinces of the North, and the destruction of the enemy's ideology which held Sayaboury Province in contempt.

Security, Insurgency Situation Discussed

91SE0098A Vientiane PASASON in Lao 11 Dec 90 p 3

[Report by Phouvattana: "Before Savannakhet Province Was At Peace"]

[Excerpts] After the nation was completely liberated and became the LPDR [Lao People's Democratic Republic], Savannakhet Province was one of the provinces of the central region and the South which experienced the most disorder.

After the nation was completely liberated, the people, instead of proceeding to earn a living and build a new life under the new system, fell into disorder and confusion. This was brought on by the disorder caused by the

lackeys of the imperialists and various reactionary groups. They assembled their forces at many points in localities and newly liberated areas such as areas in Songkhon District, Champhon District, Atsaphangthong District, Outhoumphon District, and Khanthabouli District. They committed brutal acts—they killed cadres, soldiers, and officials from various levels of the administration; blocked and destroyed transport and passenger vehicles; destroyed the offices of organizations; plundered rice storehouses; and burned the houses of the people. These devious and brutal schemes were intended to destroy the peace of the people under the new system and destroy the new system. They were at the very least enemies of society who would hinder the progress of the new system and cause the people to lose respect for it until the point was reached when they could overthrow the new system.

The people of Savannakhet Province of the present generation and of generations to come will remember these brutal actions. This group killed officials where the highway branches off to Chelamong and other locations on highway 9 as well as at Phou Choko and other locations on highway 13, and they killed without regard for the people, for example they killed guerrillas, local administrators, and people opposed to their aims.

These actions lasted almost 10 years from 1976 to the end of 1984. The worst years were from 1976 to 1982. During these years they caused considerable losses both in life and in the property of the state, collectivities, and the people. However their violence was not able to shake the will of the people of Savannakhet Province to defend their localities. On the contrary the people's patriotism and love for the new system steadily increased, and the public security forces in the localities steadily grew stronger. [passage omitted]

By proceeding on the basis of the resolutions of the Politburo of the Party Central Committee concerning turning to the grassroots, carrying out the orders of the Supreme Headquarters of the Lao People's Army, improving the public security forces, building a strong grassroots in all areas, and conducting operations to attack the enemy in the forest and destroy his henchmen, [we brought] peace to all of Savannakhet Province and it has remained at peace. The henchmen of the reactionaries and imperialists have gradually been completely eliminated. [passage omitted]

PRC Wants Direct Trade With Industrialists*91SE0084B Kuala Lumpur UTUSAN MALAYSIA
in Malay 12 Dec 90 p 24*

[Text] Kuala Lumpur, 11 Dec (BERNAMA)—Chinese Premier Li Peng today suggested to Malaysian industrialists that they conduct trade directly with their counterparts in China.

He said that most trade between the two countries is now handled through third parties.

"We invite Malaysian industrialists and businessmen to come to China to help with the advancement of technology, trade, and the economy," he said at a dinner held in his honor at Carcosa Sri Negara by the Malaysian business community.

Li, who is on a four-day official visit to Malaysia, said that neither country should be satisfied with the current volume of trade but should endeavor to strengthen their ties.

Although China faces inflation and economic problems resulting from the prodemocracy student uprising at Tiananmen Square last year, it will continue to increase its trade with other countries.

Dr. Nawawi Mat Awin, president of the National Chamber of Commerce and Industry of Malaysia, presented the problems faced by Malaysian businessmen in conducting trade with China.

The most serious, he said, are imports by third parties who are also Malaysians and the existence of middlemen for third countries.

He said that sole Malaysian agents for Chinese-made goods should be protected from overstocks caused by actions of third parties.

"We hope that authorities in China will take the steps necessary to resolve this problem and thereby create harmonious relations between Malaysia and China," he said.

Chinese Assured of Multiracial Government*91SE0088B Kuala Lumpur BERITA HARIAN
in Malay 6 Jan 91 p 3*

[Text] Malacca, 5 Jan—Ghaffar Baba said the people do not want to see this country governed merely by Malays, with the Chinese community as the opposition.

The deputy prime minister said that such a development would not be healthy, for it would not be appropriate for a multiracial nation to be guided by a government representing one race, as envisioned by DAP [Democratic Action Party].

He declared that a one-race government could not last and would merely create a chaotic situation.

In this connection, he called on the MCA [Malaysian Chinese Association] to be patient toward threats from Chinese extremist elements, for UMNO [United Malays National Organization] itself has faced a similar situation.

"MCA is not the only group with such an experience. UMNO suffered a similar situation when it was opposed by Malays themselves," he said last night in a speech at a dinner meeting sponsored by the MCA's Batu Berendam Division.

Nevertheless, he said, MCA's platform of emphasizing cooperation and understanding between communal groups in the country will eventually be understood by the Chinese community.

The people must understand that DAP's policies and concepts are not acceptable to a multiracial nation like Malaysia.

Cooperation

He said that although the MCA is always opposed by DAP, he hopes the MCA will continue the policy of cooperation and understanding between racial groups that it has followed for 30 years.

Ghaffar, who is also UMNO deputy president, said UMNO will continue to cooperate with the MCA in order to assure that racial unity endures.

"As far as the government is concerned, there is no interracial problem among Malays, Chinese, and Indians. When a minister or deputy minister from the Chinese community enters a room, he is shown respect by people of other races," he declared.

"UMNO always advises Malays to accept the fact that the Chinese in this country are not merely temporary residents but are members of Malaysian society," he stated.

Ghaffar also hopes the Chinese community will cooperate with Malays, especially in accepting them as partners in business.

This action will not only enable Malays to expand their knowledge, but will also indirectly strengthen understanding between the races.

Mahathir Says Economic Aid Must End*91SE0088C Kuala Lumpur BERITA HARIAN
in Malay 20 Dec 90 p 1*

[By Ali Mansor Aman]

[Text] London, 19 Dec—Prime Minister Datuk Sri Dr. Mahathir Mohamad said Bumiputra [Malays and other indigenous peoples] need to realize that the government cannot help them continuously and that this help must end someday.

He said that Bumiputra must therefore seize every opportunity provided for improvement of their economic status under the New Economic Policy (DEB) and under the new policy that is to be introduced.

"The government cannot guarantee that Bumiputra will be given assistance indefinitely. Someday this aid may be stopped," he said in a meeting held at Malaysia Hall for dialogue with Malaysian students in the United Kingdom and Ireland.

Datuk Sri Dr. Mahathir, who is on a 1-week unofficial visit, said the government realizes that as long as an economic gulf exists between communal groups there must be efforts to correct the problem. Otherwise, national stability would be threatened.

He said the government identified several weaknesses during its implementation of the DEB. The most visible weakness is that some Bumiputra prefer short-term profit over working hard for advancement.

Datuk Sri Dr. Mahathir Mohamad said the purpose of the DEB was not to create numerous insolvent Bumiputra businessmen. The truth is that the government can merely help, but it is up to Bumiputra to use the opportunities provided for their progress.

"In the future, the government will examine the capabilities of Bumiputra who want to conduct business projects and will equip them with the skills they need before approving financial aid," he said.

He said he will instruct government agencies responsible for helping Bumiputra not to give money to just any Bumiputra who want to operate a business, as was done in the past.

He reproved people who are good only at criticizing implementation of the DEB without making any constructive suggestions to the National Economic Consultative Council (MAPEN), which was formed to help the government frame a new economic policy.

The prime minister also said that Malaysian economic growth is expected to be more encouraging than the 8.1 percent predicted at the beginning of the year. National oil exports have risen since the outbreak of the Gulf crisis, and as a result the 1990 economic growth rate is predicted to reach 9.5 percent.

He said this will be higher than the 8.5 percent growth of last year.

Datuk Sri Dr. Mahathir Mohamad said the government is also focusing efforts on bringing the country into the industrial era more quickly. For that reason, education will give more emphasis to creating workers for the industrial sector.

He said the industrial sector is now recording a 27 percent growth rate, exceeding the performance of the agricultural sector, whose growth has dropped a little to 20 percent.

Exports of manufactured goods have reached 54 percent of total exports and now exceed other exports, even petroleum. By 1993, Malaysia will export 5 million televisions.

Trade Council Wants Economic Policy Continued

91SE0088A Kuala Lumpur BERITA HARIAN in Malay 17 Dec 90 p 2

[Text] Ipoh, 16 Dec—The Malay Chamber of Commerce and Industry of Malaysia (DPPMM) has called on the government to continue the New Economic Policy (DEB) in order to reach the goal of 30 percent Bumiputra [Malays and other indigenous peoples] participation in the economic sector.

The chamber's president, Dr. Nawawi Mat Awin, said that current Bumiputra participation is only 18 percent and that the DEB expires at the end of this year.

"If the government sets a new policy to replace the DEB, it should not have an expiration date. This would give opportunity to Bumiputra small-businessmen to participate in the economic sector at any time," he said.

He said this today in a speech inaugurating the Perak general assembly of the Association of Malay Vendors and Small Businesses (PPPKM).

Dr. Nawawi said the DPPMM welcomes the 1991 budget presented by Minister of Finance Datuk Paduka Daim Zainuddin last Friday [14 December], which Dr. Nawawi said reassures all levels of society, including the country's small businesses.

"I hope this group will use the opportunities provided by the government, particularly those for improving business," he said.

He also advised successful small businesses to repay their capital investment loans to the PPPKM.

"When this money is repaid, it can be channeled to other businesses that need it," he said.

Commentary on Proposed East Asia Trade Bloc

91SE0084A Kuala Lumpur UTUSAN MALAYSIA in Malay 12 Dec 90 p 21

[Article by Chamil Wariya under the "News Analysis" rubric: "Pacific Trade Bloc: Shadow Play or for Real?"]

[Text] Prime Minister Datuk Sri Dr. Mahathir Mohamad yesterday made another effort to protect Asia-Pacific countries from becoming the prey of the protectionist policies of Western economic blocs that will control international trade in the future.

His proposal that ASEAN nations, China, and Japan form an economic bloc is a logical step in preparation for the challenges of the 21st century.

The present world trade trend toward bloc-oriented economic cooperation compels countries in a particular region to establish their own trade pact. If not, they will be left out of international trade.

The United States and Canada have formed an economic unit within their own walls. The two world economic giants have been joined by Mexico, as well. They are in the process of establishing stronger economic ties with countries in Central and South America.

If plans become reality, the two American continents, North and South, will emerge as an economic unit that will shut its door to the entry of goods and services from other countries.

Trade activity among member countries is unhindered, but nonmember countries will face various obstacles, including the possibility of paying high tariffs to penetrate markets that formerly were relatively open.

By 1992, the economic integration of the European Community (EC) will become reality. At first, only 12 West European nations will join the economic bloc.

Because of the collapse of socialist economic systems in Eastern Europe, however, economic integration will almost certainly be followed by more extensive European political integration.

We cannot deny the possibility that the countries belonging to the EFTA (European Free Trade Association)—another European economic bloc not well known outside Europe—may also join the EC.

Closed Door

If all of this should take place—and, in view of current developments, there is no reason why it will not become reality—the entire European Continent will become a single economic unit that will close its door to the entry of goods and services from outside.

The free trade practiced by the Western countries themselves will come to an end. Asia-Pacific countries not belonging to any bloc will become beggars hoping for pity so that they can sell their goods and services.

Standing alone, they will not have the power to topple the protectionist walls built by the Western economic blocs. If they unite, however, and agree to form their own economic bloc, as proposed by Datuk Sri Dr. Mahathir, the scenario will be different.

As an economic bloc embracing the countries located in the region predicted to be the center of economic growth in the 21st century, their strength will encourage the Western trade blocs to make the desired concessions. If it can become a reality, the Asia-Pacific economic bloc will also have the power to negotiate in a phenomenal way with the EC and the North American trade bloc.

Undeniably, this is what prompted Datuk Sri Dr. Mahathir suddenly to abandon Malaysia's adherence to the principle of free markets and to propose a protectionist trade bloc.

He made the proposal after observing that the Western economic blocs merely emphasize their own interests, as was demonstrated in the failure of the Uruguay Round talks in Brussels several days ago.

In those talks, it was clear that the EC did not want to compromise on the community's subsidies. This reluctance is seen as reflecting the stubbornness of the advanced countries toward relaxing their policy of protecting their own domestic economies.

If they get their way, the farm products of outside countries will face this uncompetitive situation, which is contradictory to the principle of free trade that the EC countries themselves have preached.

In other sectors, too, the advanced countries are unwilling to make the concessions desired by the developing nations and use their power as a single economic bloc to reject such requests flatly.

Because Datuk Sri Dr. Mahathir's proposal for the formation of an Asia-Pacific trade bloc came only a few days after the Uruguay Round talks failed, observers naturally see his viewpoint from two different perspectives.

On the one hand, some believe that Datuk Sri Dr. Mahathir's effort is a ploy (a shadow play) to make the advanced countries take a more flexible position in the Uruguay Round talks, which are expected to continue early next year in Geneva.

This group feels his message is that if the advanced countries maintain their harsh position, they must be prepared to face the consequences of the protectionist policies that will be enforced by Asia-Pacific countries.

Trade Pariah

On the other hand, there are some who view Datuk Sri Dr. Mahathir's proposal as demonstrating the sincerity of a leader who wants countries in this region to prepare for the realities of international trade in the 21st century. They have no choice but to create their own economic bloc if they do not want to be a pariah in future international trade.

Realizing that Malaysia alone, or even ASEAN, does not have enough power to match the European and American economic blocs, he recommended that other Asian countries—China and Japan being the important ones—to participate.

China is needed because of the potential of its economy and its markets, and Japan because its economic power can compete with other advanced countries.

The formation of an Asia-Pacific economic bloc will clearly have its own problems. Unequal economic development among countries of the region is said to be the biggest problem and the one that must be resolved first.

Because of their backward economies, some countries will feel that the trade bloc will hurt them. Countries with advanced economies are certain to be happy, because they will greatly benefit from the arrangement.

If given a choice, Japan might be more interested in joining the American or European economic bloc.

However, Japan's big guaranteed markets in nearby Asia-Pacific countries may be an incentive for it to join the Asia-Pacific economic bloc.

Government To Provide More Military Housing

*91SE0085A Kuala Lumpur UTUSAN MALAYSIA
in Malay 13 Dec 90 p 3*

[Text] Kuala Lumpur, 12 Dec—The government expects to provide enough housing for military personnel during the 10 years of the Sixth and Seventh Malaysia Plans, according to Minister of Defense Datuk Sri Najib Tun Razak.

He told Parliament today that the project to resolve the personnel housing problem will involve great expense and will require much time.

In reply to a question from Ahmad Nor (DAP [Democratic Action Party], Bayan Baru), he said that for now military personnel not occupying government or government-rented housing will be paid a monthly allowance to help with rent.

He said the government has set up a committee to review the housing assistance allowance to determine if the existing rate meets current requirements.

Datuk Sri Najib said that there are now 39,527 military families living in government housing and 31,738 families living outside government housing.

In response to a follow-up question from Ibrahim Ali (Spirit of '46, Pasir Mas), the minister said that the houses to be built for military personnel will have suitable specifications and that their sizes will depend on family sizes.

Minister of Education Datuk Sri Anwar Ibrahim said the Ministry of Education takes seriously any problem faced by any type of school and will help as far as it is able.

In his reply to a question from Chian Heng Kai (DAP, Bukit Mertajam), he said that problems requiring ministry money cannot be resolved at once because help will depend on the status of government finances.

"Therefore, charges that the National Front Government has reneged on its promises are untrue," he said.

He said that the Jit Sin National Secondary School has the status of capital-aided school and that the government does not plan to make allocation for the school based on matching a ringgit for a ringgit.

Nevertheless, he said, the ministry will allocate assistance for the school as the financial situation permits.

Deputy Minister of Home Affairs Datuk Megat Junid Megat Ayub told Parliament that the government has formed a special task force in Sabah to identify and control illegal aliens from the Philippines and Indonesia.

Datuk Megat Junid said that so far the task force has registered 37,913 illegal aliens.

He said the task force has also repatriated 5,679 illegal aliens who entered certain areas without possessing valid documents.

In reply to a question from George Sangkin (PBS [Sabah United Party], Bandau), the deputy home minister said the government realizes that the entrance of illegal aliens into Sabah State has caused social problems and that these people have become involved in criminal activity.

Datuk Megat Junid said that prisons in Sabah are crowded as a result of actions taken to find and arrest the illegal aliens.

Ghafar on Business Credit Availability to Farmers

*91SE0085C Kuala Lumpur UTUSAN MALAYSIA
in Malay 12 Dec 90 p 7*

[Text] Kuala Lumpur, 11 Dec—Deputy Prime Minister Ghafar Baba proposed today that the Businessmen's Recovery Fund be expanded to include farmer organizations that need this assistance.

He said the fund, which is for helping businessmen, should be open to farmers, since they are businessmen, too.

Speaking to reporters after inaugurating the general assembly of the National Farmers Association (NAFAS), he said the matter will be brought to the attention of Minister of Finance Datuk Paduka Daim Zainuddin at tomorrow's cabinet meeting.

"I don't think this will be a problem as long as farmers are willing to use the fund," he stated.

His statement came in response to a NAFAS proposal that a fund like the Businessmen's Recovery Fund be established for farmers.

Ghafar said the Businessmen's Recovery Fund will be opened to farmers as quickly as possible after the Ministry of Finance gives its approval.

All groups, including farmers, have had problems during the economic recession, he said.

When asked whether the fund's capital of 500 million ringgit will be increased, he said that there is still much money in the fund and that there is no need to add to it.

Nevertheless, he said, the government is prepared to add money if necessary.

Ghafar said he did not know how many farmer organizations need such help.

In earlier statements, Ghafar, who is also minister of rural development, had said attention should be given to the proposal that an alliance be formed among organizations of farmers, fishermen, and livestock growers.

He said the appropriate ministries should see to this matter so that cooperation among these organizations can be strengthened.

Touching on the farm sector, he said he hopes that incentives will continue to be given to high school and university students to go into agriculture.

Besides developing the industrial sector, he said, we should also give attention to the farm sector.

"The knowledge possessed by these students can help us to produce quality products that are competitive with products from other countries," he added.

Ghafar said the Ministry of Finance cannot accept the request that the NAFAS debt of 6.8 million ringgit be converted to working capital, for a debt cannot be merely erased.

He said, however, that he would try to find another way to resolve the problem of the NAFAS debt burden.

Ghafar expressed his satisfaction over the growth of exports during the last three years, which has enabled Malaysia to competing successfully with other countries.

"We have now emerged as the top producer of certain items, such as air conditioners," he added.

Prospects for Tin-Based Industries

91SE0102A Selangor SIN CHEW JIT POH in Chinese
4 Dec 90 p 20

[Article by Gu Ke-fu: "Bright Prospects for Tin-Based Chemical Products Industry. Lin Ching-k'uei: Possible Uses for Tin Not Completely Explored. Reportedly Local Company Very Much Interested in Investing"]

[Text] Given government encouragement and impetus, and if preconditions can be met, a tin-based chemical products industry can be founded in Malaysia.

Malaysia Tin Products Manufacturing Business Association Chairman, Datuk Lin Ching-k'uei, said in an exclusive interview with this newspaper's correspondent that the current potential of the country's tin products manufacturing industry has yet to be fully explored.

At the present time, Malaysian tin is used mostly to produce solder, tinplate (tin plating of iron sheet), and tin castings.

In 1989, domestic tin consumption amounted to only 2,359 tons, or approximately only 7 percent of the 32,034 tons produced.

Predicts Increase in Tin Consumption

Forty-four percent, or 486 tons of the aforementioned 2,359 tons of tin consumed was used to produce solder; 20 percent, or 486 tons was used for producing tinplate; and 19 percent, or 429 tons was used for tin castings. The remaining 17 percent, or 405 tons was used for other purposes.

He added that because of the country's burgeoning economic activity and the rapid expansion of manufacturing industries and the electronics industry, the country's 1990 tin consumption was expected to increase to at least 2,500 tons in an approximately 6 percent rise over 1990.

"During the first seven months of 1990, domestic tin consumption was 1,281 tons, most of which was used to produce solder. This amounted to 788 tons."

He said that the amount of tin used is in direct proportion to the amount of economic activity. When the economy is flourishing, consumption naturally increases. Conversely, it decreases.

"There is no way we can increase the use of tin through sales promotion. After all, this is not a consumer goods used in daily life."

Nevertheless, he is convinced that given government encouragement and if the local climate permits, a tin-based chemical products industry can take root locally.

This newspaper has learned that one local company is itching to have a go at the tin-based chemical products industry; however, it is taking no action for the being for lack of government encouragement, and because the local climate is not right for investing in production.

Need to Meet Prerequisite Conditions

Datuk Lin said that a tin-based chemical products industry involves a huge investment and a high degree of technology. For such an industry to survive locally, not only would government have to provide special encouragement for it to buck the current, but two preconditions would have to be met.

"The two preconditions are a tremendous domestic consumption market, and an export market. Possibly the problems with the latter precondition might be overcome, but the former one is rather tricky."

He said that since high technology and a huge investment are involved, tin-based chemical products industries would have to be imported from abroad. Given the

current climate and conditions, a tin-based chemical products industry has not reached the point where it can take root.

However, he said that with time and with cooperation between the private sector and government, this day will come.

When discussing the difficulties that a domestic tin products manufacturing business would face in Malaysia, he said different kinds of tin products involved different problems.

He gave solder as an example. The main problem in the export of solder lays in Malaysia being too far away from consumer countries. This makes its cost relatively high, which is disadvantageous when competing with other countries.

In addition, the tariff barriers of neighboring countries are the main obstacle to the country's solder export trade. For example, Thailand collects a 40 percent duty on imported solder, while neither Japan nor Taiwan have any tariff barriers.

Tinplate is supplied mostly to the domestic market. The export market accounts for only 5 percent.

Since sales of tin castings are in the form of manufactures, in addition to which the consumers are in a middle scale to upscale market, the potential for this kind of product exists chiefly in Europe, America, and Japan.

He emphasized that in the winning of foreign markets, not only do firms themselves have to take responsibility for their products, but they must also obtain government assistance as, for example, in overcoming tariff barriers, if they are to be able to gain a position in overseas markets.

Frequent Dialogue With the Ministry of International Trade and Industry

On this matter, he said that the association held frequent dialogues with the Ministry of International Trade and Industry from which both sides obtained valuable reactions. This has been of great help to the association.

Many industrialists are in the habit of describing the Malaysian tin mining industry as a sunset industry, but what are the views of tin product manufacturing firms that use tin as a raw material?

Datuk Lin believes that the term sunset industry is over-used and misused, and that it is necessary to redefine sunset industry.

He countered with the question what industry that extracts underground minerals such as oil, copper, tin, and gold will not exhaust the deposits?

"Looked at from this angle, will not every mining industry become a sunset industry?"

He said, naturally the day will come when any mineral taken from nature will be used up. However, the technology for using these minerals as raw materials used in production is changing with each passing day and is incessantly advancing.

Therefore, even when local mine reserves have been mined out, firms that have accumulated rich experience and advanced science and technology will be able to buy raw materials from other countries to continue production, so the problem of their becoming sunset industries does not exist.

The Malaysian Tin Products Manufacturing Business Association was formally founded on 15 February 1990 to take the place of the former Malaysian Tin Products Manufacturing Business Organization.

At the time of its founding, the association has only seven member firms; however, the number has rapidly increased to 15, which is 75 percent of all firms (approximately 20).

Central Bank Directive on Real Estate Market

*91SE0102B Selangor SIN CHEW JIT POH in Chinese
5 Dec 90 p 3*

[Article by Ch'en Kuo-hsi: "Allow Industrial Market to Cool Off"]

[Text] The central bank recently issued a directive preventing Malaysian financial institutions from financing the purchase of Malaysian real estate by foreign persons or companies. For Malaysia's housing developers, this truly means that it never rains but what it pours.

This is because the situation in the Persian Gulf has already caused a decrease in the amount of buying and selling of real estate in the country. This strict warning from the central bank has also awakened the country's developers from their "beautiful dream" of "recouping their losses."

According to the developer, this instruction will seriously hurt the country's real estate market. As a result of it, they will lose at least some of the customers they were aiming for, but more people feel that foreign investors' inability to solve their "housing" problem may hurt the country's efforts to attract foreign investment.

However, if one looks carefully at the country's recent real estate market, it is not difficult to discern the existence of some unfavorable factors. It is these factors that cause the problem.

For some time in the past, the country's real estate market was unable to avert its preordained fate when the whole economy was in a slump. Numerous development plans were shelved during a time of low purchase demand and lack of funds. The recovery from recession during the past several years has been very much related, of course, to the influx of foreign capital.

Indeed, ever since the government opened wide the doors to invite foreign capital into the country for industrialization and to invigorate the economy, foreign capital has flowed into the country in an endless stream. This, together with the low value of the Malaysian ringgit, has made property prices lower than in neighboring countries. This helped the country's real estate market "recover from the dead," and it also spurred numerous new development plans. For a time, construction projects sprang up everywhere like flowers after a spring rain. In the absence of good planning, this series of "abrupt" development plans generated a loss of equilibrium. What with the developers scrambling to build houses on which they made substantial profits, ultimately supply became greater than demand while the supply of housing that is truly needed but that has been ignored seems inadequate.

In addition, demand for building materials exceeded supply and prices rose as developers rushed to buy it up for fear of being left out. This increased construction costs, and naturally this hardship has to be borne ultimately by the buyers.

Therefore, this central bank directive might not be bad. At least it allows some temporary cooling off of the country's presently overheated real estate market. Not only does it cause a decrease in the overheating to await a readjustment of the pace before moving ahead again, but it also lengthens the building cycle. This is a healthy development.

In addition, as a result of the limitation on the purchase by foreign persons or companies of real estate in Malaysia, ordinary buyers' opportunities for buying real estate will increase. Reduction of competition from abroad will permit them to solve their basic livelihood problems more easily.

Furthermore, as a result of the decrease in real estate market competition, the decrease in demand will cause house prices to fall to a more reasonable level that is within the reach of buyers in the country. It will coincidentally increase the Malaysian people's purchasing power, and this will help realization of the "home ownership" ideal that the government has long sought.

Citizens Call for Better Economic Policy

91SE0085B Kuala Lumpur BERITA HARIAN
in Malay 1 Jan 91 p 20

[Text] Alor Setar, 1 Jan—People of several strata of society in this state are asking the government to draft a better economic policy to replace the New Economic Policy (DEB), which expires today. They want one that will help

to improve the standard of living of this country's Bumiputra [Malays and other indigenous peoples].

Most people interviewed said that the new policy must contain special features like those of the DEB, because those features achieved their goals.

One resident, Dr. Abu Hashim Ahmad, said that the policy should provide for programs for improving the economic conditions of Bumiputra.

"If possible, the policy should be focused entirely on the rural community, which still does not enjoy the desired standard of living," he said.

He said that although the DEB is the best economic policy the government has established for helping Bumiputra, rural residents unfortunately have failed to use the opportunities given to them.

A housewife, Mrs. Solehah Othman, 38, said that although the government's objectives for the DEB were not all achieved, it at least taught the Bumiputra community to compete for various opportunities, such as those in the business sector.

"Actually, they have not been sensitive enough to the government's efforts, and actions to teach them need to be continued under the new policy," she stated.

Mrs. Solehah said a policy will be successful if it has the cooperation of everyone, particularly members of the community.

Mohd. Daud Ismail, secretary of the Sinaran Budi MAYC [Malaysian Association of Youth Clubs] Youth Association at Kampung Nako Nambua, said the government must consider the aspirations of young people when it drafts a policy.

He said that one reason the objectives of the DEB were not achieved was the cool reception that young people gave to seizing the opportunities that the government provided.

"Young people were not given a clear explanation on how to seize the available opportunities," he said.

He hopes, therefore, that the government will try to guide young people in taking part in all sectors, including business.

Mohd. Daud hopes the government will keep the special features of the DEB, since they constitute a balanced policy.

Biographic Information on Goh Chok Tong

91P30082Z Beijing SHIJIE ZHISHI [WORLD AFFAIRS] in Chinese No 1069, 16 Dec 90 p 7

[Article by Wang Liping (3769 0448 1627): "Singapore's Second-Generation Leader—Goh Chok Tong"]

[Text] Goh Chok Tong, formerly Singapore's first deputy prime minister and defense minister, was sworn in on 28 November 1990 as the second prime minister of the Republic of Singapore, succeeding Prime Minister Lee Kuan Yew, who held power for 31 years. Singaporeans place great hope in this new prime minister. President Wee Kim Wee expressed his deepest confidence that Goh Chok Tong will be an outstanding prime minister.

Goh Chok Tong was born in Singapore on 20 May 1941. He is of Fukienese descent. He was born into a poverty-stricken family. During his childhood his father died; his mother was a teacher in a Chinese school. He has a special interest in the Chinese language. Aside from studying it at school, he also studied Chinese at night school. Later, while he worked in the government, Goh Chok Tong also employed a high school teacher just to teach him Chinese. He believes that studying Chinese is enjoyable and, even more important, that he can use Chinese to interact with even more Singaporeans.

In 1964 Goh Chok Tong graduated from the Economics Department of the University of Singapore with excellent grades. In 1966 he received a fellowship at Williams College in Massachusetts to pursue advanced studies. During his studies abroad, Goh Chok Tong's grades put him at the head of his class. He received a master's degree in development economics. Both in high school and college, Goh Chok Tong made a deep impression on people in many areas.

Originally Goh Chok Tong did not aspire to a position in the government. After he graduated from college in 1964, he became an economic planning investigator and assistant secretary in the Finance Ministry's Economic Planning Unit. He has a great deal of experience in public affairs and enterprise management. After winding up his studies at Williams College in the United States, Goh Chok Tong returned to Singapore and worked at the state-run Neptune Orient Lines, Inc. He was the planning and development manager at that company as well as the director of financial affairs and the chairman of financial affairs. Moreover, in 1973 he was promoted to chairman of the company, and, in a few short years, Goh Chok Tong had the company turning a profit. Just as Goh Chok Tong was successfully managing the company, his good teacher and helpful friend, former Defense Minister [as published] Hon Sui Sen (who passed away in 1983) insisted that he get into politics. At Hon Sui Sen's repeated insistence, Goh Chok Tong finally abandoned his high salary and position in 1976 and entered the ruling Singapore People's Action Party [PAP]. In the same year he ran for election under party auspices and was elected to the Parliament. From that time, Goh Chok Tong began his political career.

During the 1970's Lee Kuan Yew and others of the older generation of Singaporean leaders set about painstakingly choosing and grooming successors, forming a group of younger people who were college educated, had technical knowledge, and had work experience to serve in leadership positions in the party and cabinet and to be Singapore's second generation of leaders. Goh Chok Tong was the most outstanding of these. Goh Chok Tong was greatly appreciated by Prime Minister Lee Kuan Yew and received his guidance and was put in key positions. After entering political circles in 1976, Goh Chok Tong rose very quickly. In 1977 he became a senior administrative minister at the Ministry of Finance. In 1979, at the age of 38, he was promoted to trade and industry minister. Under Hon Sui Sen's careful guidance, Goh Chok Tong came up with his first (1981-1982) government budget plan and also took part in the planning, formulation, and implementation of the economic restructuring that Lee Kuan Yew advanced. Later he held the post of health minister and defense minister and concurrently held several posts in government ministries.

In 1979 he was elected second assistant secretary of PAP and first organizational secretary, making him a key organizer for the 1980 general elections. In May 1980 Goh Chok Tong began concurrently serving as a member of PAP's Special Coordination Council. In 1984 he assumed the position of assistant party secretary. After this, his prestige increased daily. His position was second only to Lee Kuan Yew; he was the number-two person in the party. In January 1985, Prime Minister Lee Kuan Yew formed a younger, specialized Cabinet of "experts to run the country." Goh Chok Tong, who had reached his prime, concurrently took the posts of first deputy prime minister and defense minister, becoming Lee Kuan Yew's right-hand man. After that, Lee Kuan Yew and Goh Chok Tong were consulted on policies made by the Cabinet. From 1989 on, Lee Kuan Yew gave him a free hand, and Goh Chok Tong had full power in formulating all Cabinet policy. Since the 1984 general elections, the second-generation leaders have held several meetings. They are unanimous in choosing Goh Chok Tong as their leader and are unanimous in the decision to make him Lee Kuan Yew's successor.

Goh Chok Tong supports and implements Prime Minister Lee Kuan Yew's domestic and foreign policy and adheres to the aims set by Lee Kuan Yew for running the country. He says that the new generation of leaders should understand, cooperate, and mutually support each other like a soccer team. He stresses "collective leadership" and "democratic style," and believes that before all major decisions the masses should be consulted and a dialogue established with the people. He points out that government stability is the foundation of economic prosperity. On 27 November, Goh Chok Tong at the request of the president formed a new cabinet and

was sworn in the following day. He indicated that he will do his utmost in the days ahead and will carry on the establishment created by Lee Kuan Yew. He will continue efforts to develop the economy, improve the people's spiritual and material standard of living, and make an effort to make Singapore even more prosperous.

Goh Chok Tong is 1.8 meters tall, his demeanor is elegant, his personality reserved, and he is sincere. Every morning he plays tennis or golf, starts work at 1000 and gets off at 1800. On Saturday afternoons he usually plays tennis with his twins. Goh Chok Tong's wife is a lawyer with Lee Kuan Yew's law firm.